

EXHIBIT “G”

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

CASE NO. C-1-01-641

Q & R ASSOCIATES, INC.,

Plaintiff,

vs.

UNIFI, INC., et al,

Defendant.

DEPOSITION

COPY

WITNESS: WILLIAM MICHAEL MEBANE

**TAKEN AT THE LAW OFFICES OF:
CARRUTHERS & ROTH, P.A.
235 North Edgeworth Street
Greensboro, NC 27401**

**DATE: 02-24-04
TIME: 08:57 A.M.**

**REPORTER: DALE L. RING
CHAPLIN & ASSOCIATES, INC.**

CHARLOTTE (704) 335-1954 TRIAD (336) 992-1954 RALEIGH (919) 807-1954

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1 points in question.

2 Q. And is that what you were referring to
3 in paragraph 18 of your affidavit, his response
4 e-mail?

5 A. That's correct.

6 Q. Do you recall if it -- right, it says
7 right here what the two exceptions were. Were
8 those ever resolved?

9 A. Again, between us, I felt like they were
10 resolved. I don't know if, you know, in legal
11 definition, they were resolved, but certainly
12 between us.

13 Q. Was there an exchange of documents or
14 information between you and either Mr. Quinn or
15 Mr. Ranz about what it was they could do for UTF
16 as a sales rep? Did they provide you anything?

17 A. I'm sorry, I don't understand what
18 you're asking.

19 Q. Did they give you any kinds of documents
20 when these discussions were ongoing that would
21 have showed what their ability was to sell your
22 product?

23 A. They had given me a list of customers
24 that they had relationships with. They had given
25 me, I think, a brochure that showed all of the

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1 different lines that they carried. They had given
2 me a customer matrix which showed the volumes of
3 the customers that they would be seeking. I think
4 that's about all. I can't be sure, but I think
5 that's all they gave me.

6 (PLAINTIFF'S EXHIBIT
7 NUMBER 26 WAS MARKED
8 FOR IDENTIFICATION)

9 Q. I've handed you what has been marked as
10 Exhibit 26. Is that the customer list that you
11 were given?

12 A. Yes, I believe it was.

13 Q. Do you know -- did you request this or
14 was this something ---

15 A. I don't recall whether ---

16 Q. --- that they had given you.

17 A. --- I requested it or not.

18 Q. On the second page, there's a reference
19 to Gene Kelly. Do you see that?

20 A. I do.

21 Q. Are the accounts listed under his name,
22 the ones that he was to responsible for?

23 A. Yes, I assume so.

24 Q. You don't know?

25 A. Apparently, that's correct.

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1 A. Are you asking me what basis weight is?

2 Q. Yeah. How does that -- what does that
3 mean?

4 A. It's a measure of aerial density of a
5 material. So this has been -- this one's listed
6 as grams per square meter.

7 Q. Okay. And it's moving across the right.
8 What is the sizes -- what ---

9 A. Width. Widths.

10 Q. Oh, width.

11 A. Width of fabric.

12 Q. And a treated OD.

13 A. Which is the outside diameter of the
14 rolls that were to be supplied, and the
15 description of the fabric, whether it was
16 hydrophilic or hydrophobic.

17 Q. And the monthly volume?

18 A. Which was the monthly volume that we
19 would target as our sales objectives.

20 Q. And what was the final column -- doesn't
21 have a title, but there's -- seems to be
22 information in there?

23 A. There are two products listed. One of
24 them is SMS, which means it has a layer of
25 meltblown material between two spunbond layers.

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1 And the SBPP is spunbond polypropylene.

2 Q. Okay. Now ---

3 A. Which is ---

4 Q. I'm sorry. Were you finished?

5 A. Non-composite material.

6 Q. Okay. On the monthly volume column, you
7 said that was the amount of volume that you would
8 target?

9 A. That's correct.

10 Q. Meaning, that's how much you would try
11 to sell each of these customers?

12 A. That's how much they would try to sell
13 to each of these customers.

14 Q. Did they ever tell you that these were
15 total requirements for these customers, or just
16 what they would try to -- what they could sell?

17 A. I don't understand the question.

18 Q. Did they ever tell you that these were
19 the total requirements for these customers that
20 was listed under the monthly volume?

21 A. And again, I'm not sure the difference
22 in the first thing you asked me and the second.

23 Q. Well, okay.

24 Let's say there was a customer you
25 wanted to sell to, and they would need to, I

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1 assume, purchase so much of this material to make
2 their products, correct? They would need to buy X
3 amount per month to fill all of their orders.

4 A. Okay.

5 Q. And that's what I say the total
6 requirements -- that's what I mean, whatever that
7 X number is, they needed that much to fill all
8 their orders for that month.

9 A. Right.

10 Q. If -- and what my question was, was the
11 information in the monthly volume column that X
12 number -- that total monthly requirements that
13 they needed to fill all of their orders, or was
14 this just a portion of their overall needs that
15 Q & R could supply?

16 A. I don't -- again, I don't see the
17 difference in what you're saying.

18 Q. Okay. What, if anything, did they tell
19 you about these volume requirements?

20 A. These were the targets that we would
21 have for these customers. This was showing me
22 their ability to sell large volumes of material
23 coming from this line. In addition, it was the --
24 the time frame that it would take for us to
25 convert these customers.

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1 So, for example, on number one here,
2 there would be six products. These would be the
3 targets, the volumes that we would try to
4 accomplish. They would be -- it would take from
5 three to six months to qualify, and there would be
6 a full production between three and six months.

7 Q. Did ---

8 A. One to three months for qualification;
9 three to six months for ---

10 Q. Did they ever tell you how they
11 calculated these target amounts?

12 A. No, they did not.

13 Q. Did -- not ever?

14 A. I don't recall.

15 Q. Do you know whether these customers were
16 purchasing more volume per month than what's shown
17 on this matrix?

18 A. No, I don't.

19 Q. What did you do with this document,
20 Plaintiff's Exhibit 27?

21 A. Well, I guess, the first thing I did was
22 use it to consider whether or not I wanted these
23 people to represent us.

24 Q. Uh-huh (yes).

25 A. So -- and I used it as a consideration

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1 stream that could have been realized had the plant
2 gone into operation?

3 MR. McGAVRAN: I have to object to
4 the form of that. That's asking for speculation.

5 THE WITNESS: I -- I -- yeah, I
6 can't -- I can't answer that the way you've asked
7 the question.

8 Q. (Mr. Packard) All right. So you
9 have -- are you saying you just have no way of
10 knowing whether that -- the information on
11 Exhibit Five was accurate in any way? You just
12 don't know? You can't know because you'd be
13 guessing?

14 A. Again, I -- I can't even answer that
15 question the way it's been phrased. The use of
16 the word "accurate," you know, puts me into a box
17 that I can't respond to.

18 Q. You don't understand what the word
19 "accurate" means?

20 A. I do.

21 Q. What -- how do you understand the word
22 "accurate"?

23 A. Let me -- I want to help here a little
24 bit in phrasing the question, and then answer it a
25 way, I think where you're going, but let me help.

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1 The plant has this capacity. If the
2 plant were operative and Q & R was able to do what
3 they said they could do, then, in theory, this
4 could have been a -- a -- could have been
5 realized. But there's so many things that are
6 beyond my control, or beyond the control of the
7 plant that would have to happen, so that they
8 could realize the collections and the eventual
9 commissions.

10 Q. Okay.

11 A. Did that -- did that answer?

12 Q. I think I understand what you're saying.

13 A. Did that answer the question without ---

14 Q. So the volumes that would have to be
15 generated to create this collection was within the
16 capacity of the plant?

17 A. It was within the capacity of the plant,
18 but I had no way of knowing whether they were
19 going to be able to deliver upon the volumes that
20 they had represented to us.

21 Q. And what were the volumes that they had
22 represented to you?

23 A. Which had come from the customer matrix.

24 Q. Exhibit 27?

25 A. That's correct.